

STATE AUDITOR'S OFFICE
SECURITIES DEPARTMENT
HELENA, MONTANA

IN THE MATTER OF:) Case No.: 109-10-07-255
TTG FINANCIAL SERVICES, Inc., TARRA) CONSENT AGREEMENT AND ORDER
GRAZLEY-PFISTER and)
ROYAL ALLIANCE ASSOCIATES, INC.,)
Respondents.)

The Montana Securities Commissioner (Commissioner), pursuant to the authority of the Securities Act of Montana, §30-10-101, et seq., Mont. Code Ann. (2005), hereby alleges the following:

FINDINGS OF FACT

1. TTG FINANCIAL SERVICES, INC. (TTG) is located at 3012 4TH Ave. North, Billings, MT 59101. TTG has been registered with the Montana Securities Department (Department) as an investment advisory firm since April 3, 2002. However, it has never had any representatives registered. The firm currently discloses a total of 65 clients with \$9,500,000 in assets under management. TTG has no reportable disclosure items on the National Association of Securities Dealers' Registration Depository (CRD).

1 2. Tarra Grazley-Pfister (Grazley-Pfister) is currently the president of TTG Financial
2 Services and has been since 2002. Grazley-Pfister is currently licensed as a salesperson and
3 investment adviser representative for Royal Alliance but has never been licensed as an
4 investment adviser representative for TTG.

5 3. ROYAL ALLIANCE ASSOCIATES, INC. (Royal Alliance) is located at One World
6 Financial Center, 15th Floor, New York, NY 10281. Royal Alliance has been registered with the
7 Department as a broker/dealer firm since July 11, 1989 and as a federal covered advisor since
8 November 7, 1997.

9 4. The Department received an application to register as an investment adviser
10 representative (Form U-4) from Grazley-Pfister on May 2, 2007. In her application, Grazley-
11 Pfister disclosed she is currently the president of TTG Financial Services and has been since
12 2002. As part of the application process, the Department discovered Grazley-Pfister had acted as
13 an investment adviser representative for TTG without proper registration by virtue of her
14 advising Montana clients and collecting advisory fees.

15 5. Royal Alliance Associates, Inc. debited its brokerage clients' accounts \$290,468.89 on
16 behalf of TTG during a 3-year period for advisory fees charged by its agent Tarra Grazley-
17 Pfister, an unlicensed investment advisory representative of TTG Financial Services and
18 maintained \$87,751.39 of this amount for its own use.

19 CONCLUSIONS OF LAW

20 1. The Commissioner has jurisdiction over this matter by virtue of Grazley-Pfister
21 and Royal Alliance transacting advisory business in Montana pursuant to §30-10-107, MCA.

22 2. Royal Alliance transacted investment advisory business in Montana pursuant §30-
23 10-103(11), MCA.

24 3. TTG Financial Services, Inc. transacted advisory business in Montana pursuant
25 §30-10-103(11), MCA.

4. Grazley-Pfister transacted investment advisory business in Montana pursuant §30-10-103(12), MCA.

5. In connection with the above investment advice, Grazley-Pfister violated §30-10-201 (3), MCA, by transacting investment advisory business and collecting fees for that business in Montana without registering as an investment advisor representative.

6. In connection with the above investment advice, TTG violated §30-10-201 (5), MCA, by employing Grazley-Pfister, an investment advisor representative, when she was not registered in Montana to transact investment advisory business.

7. In connection with the above investment advice, Royal Alliance violated §30-10-201 (5), MCA by allowing Grazley-Pfister to transact investment advisory business in Montana by charging its clients advisory fees on her behalf while she was not registered to do so.

AGREEMENT

Without admitting or denying the above findings of fact and conclusions of law, Royal Alliance, TTG Financial Services, Inc. and Grazley-Pfister hereby stipulate and consent to the following:

1. Royal Alliance, TTG Financial Services, Inc. and Grazley-Pfister will comply with the Securities Act of Montana, and the rules and orders promulgated thereunder;

2. Grazley-Pfister will pay an administrative fine in the amount of \$2,500;

3. Royal Alliance will pay an administrative fine in the amount of \$5,000;

4. TTG Financial Services, Inc. will pay an administrative fine in the amount of \$2,500;

5. Royal Alliance, TTG Financial Services, Inc. and Grazley-Pfister waive any rights to a hearing on the allegations contained herein.

Pursuant to the stipulation and consent of Grazley-Pfister, TTG Financial Services, Inc. and Royal Alliance, the Commissioner agrees that if the terms and conditions of the consent

1 agreement are fully met, he will not initiate any civil or administrative action against

2 Respondents, regarding the allegations contained herein, pursuant to §30-10-305, MCA.

3 Stipulated and consented to on this ____ day of October, 2007.

4 ROYAL ALLIANCE ASSOCIATES, INC.

5 By: [Signature]

6 Subscribed and Sworn to before me this 25 day of October 2007.

8 (SEAL)

SONIA T. JAMES
NOTARY PUBLIC STATE OF NEW YORK
NO. 01JA6164461
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES APRIL 23, 2011

Notary Public for the State of NY
Residing at Middlebury
My commission expires 4-23-2011

11 TTG FINANCIAL SERVICES, INC.

12 By: _____

13 Subscribed and Sworn to before me this ____ day of ____ 2007.

15 (SEAL)

Notary Public for the State of _____
Residing at _____
My commission expires _____

17 Stipulated and consented to on this ____ day of ____ 2007.

19 Tarra Grazley-Pfister

20 Subscribed and Sworn to before me this ____ day of ____ 2007.

22 (SEAL)

Notary Public for the State of Montana
Residing at _____
My commission expires _____

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1 agreement are fully met, he will not initiate any civil or administrative action against
2 Respondents, regarding the allegations contained herein, pursuant to §30-10-305, MCA.

3 Stipulated and consented to on this ____ day of October, 2007.

4 ROYAL ALLIANCE ASSOCIATES, INC.

5 By: _____

6 Subscribed and Sworn to before me this ____ day of _____ 2007.

7
8 (SEAL)

Notary Public for the State of _____
Residing at _____
My commission expires _____

10 TTG FINANCIAL SERVICES, INC.

11 By: Tara T. Grazley-Pfister

12
13 Subscribed and Sworn to before me this 25 day of October 2007.

14 (SEAL)

Sherril Jacobson
Notary Public for the State of Montana
Residing at Billings
My commission expires Nov. 4, 2009

16 Stipulated and consented to on this 25 day of October 2007.

17
18 Tara T. Grazley-Pfister
Tarra Grazley-Pfister

19
20 Subscribed and Sworn to before me this 25 day of October 2007.

21 (SEAL)

Sherril Jacobson
Notary Public for the State of Montana
Residing at Billings
My commission expires Nov. 4, 2009

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2 Dated this 30th day of October 2007.

3 JOHN MORRISON, STATE AUDITOR

4 Roberta Cross Guns
5 By: ROBERTA CROSS GUNS
6 Title: SPECIAL ASSISTANT ATTORNEY GENERAL

7 ORDER

8 On the basis of the Findings of Fact, Conclusions of Law and Respondent's consent to
9 the entry of this order, for the purpose of settling this matter prior to a hearing, and without
10 admitting or denying any of the Findings of Fact or Conclusions of Law, the Commissioner
11 orders Respondents to each pay a fine of \$5000. The Commissioner further orders Respondents
12 to comply with the Securities Act of Montana and the rules promulgated thereunder.

13 SO ORDERED this 30th day of October 2007.

14 Lynne Egan
15 By: LYNNE EGAN
16 Title: DEPUTY SECURITIES COMMISSIONER
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